

Report day! USDA Acreage and Quarterly Stocks reports at 11:00 this morning. Report has a history of some big price changes. A year ago, corn lost 20¢ with soybeans 13¢ higher.

Big up day on corn yesterday and gaining more ground at this writing. CN20 up 1 ¾¢ at 0630 with SN20 5 ½¢ higher at \$8.72. Corn and soybeans both showing some good pre report volume totals of 70K contracts each.

No corn or soybean deliveries this morning. CNCU and SNSQ trading 2 ½ carry and 5 ¼ inverse respectively.

Corn open interest off 51K contracts yesterday on volume of 609K contracts. Soybean OI off 8K on vol totals of 212K.

Dow futures a scratch higher this morning at 25,525. Crude 36¢ lower at \$39.34. US \$ showing modest strength.

Funds short 280K corn heading into a period of arguably less than ideal weather for much of the corn belt. With corn fresh off contract lows and all July and August weather ahead, some shorts may think twice about their commitment to that position.

Weekly crop progress showed corn G/E rating up 1% on the week to 73%. Soybean G/E rating at 71% also up 1% wk / wk.

Corn futures back above several moving average numbers and inside upward trending channel. Confusing technical picture making today's USDA numbers more meaningful to short term price direction.

Market set up for perhaps a better move than many currently suspect. Fund short offers tremendous firepower if given the spark. Lot of growing season ahead of us.



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